

**The Forum on Transportation Megaprojects in Washington State
Four Seasons Olympic Hotel
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Keynote Comments

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Welcome to the conference. Thanks to the sponsors, to all the panel participants and to everyone joining us today. Our purpose is to assess together our preparation for meeting key transportation needs of our Puget Sound region and the entire state of Washington.

We have exactly the audience we had hoped for:

- Colleagues from around the country – public officials, designers, contractors -- with whom we are eager to trade insights and experience.
- Our WSDOT “home team” of in house and outside engineers and project managers. We have already been gearing up to help design and build critical projects and to assure cost-effective project delivery.
- And many representatives of our civic and political leadership, because building projects will involve all of you and all of us at every step.

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We stand here in Washington State poised to embark upon a very exciting and very daunting enterprise.

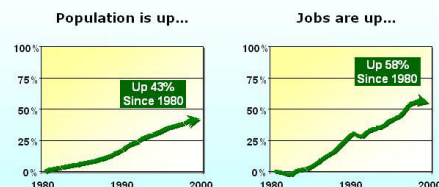
For years, clear-sighted citizens and our political and business leaders have recognized the need, shared with other states and communities across the country, to invest in transportation facilities for the sake of our economic well-being and in support of our quality of life.

In a moment, Doug Beighle will share with you the journey of our civic leadership to work with elected officials in state government to build the funding foundation for that program.

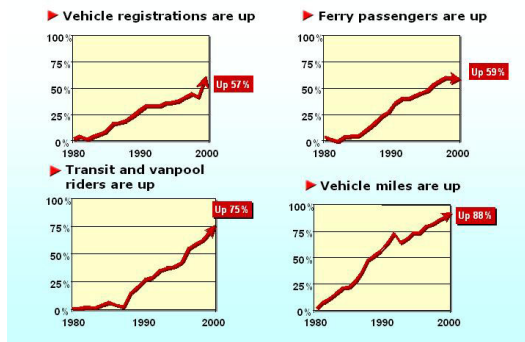
But I first can review with you the difficult and inescapable facts establishing the urgency of their efforts.

- Twenty years of dramatic growth and prosperity for our state.

**Our transportation crisis:
unmet needs, insufficient investment.**

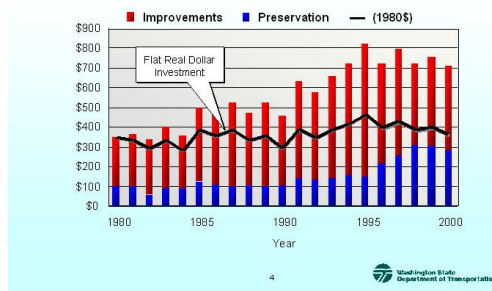


- Twenty years of ever-increasing demands on every one of our transportation systems.



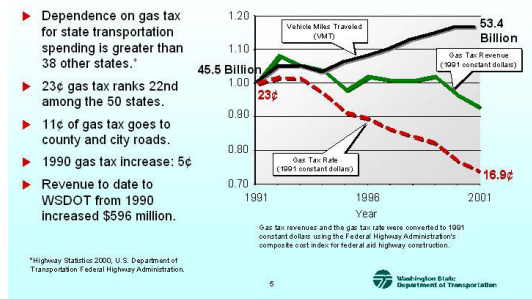
- Twenty years of flat real dollar capital investment in state transportation facilities, and that investment out of necessity ever more biased toward preservation of existing assets rather than creation of new assets

But the state's investment in transportation infrastructure has not kept pace.



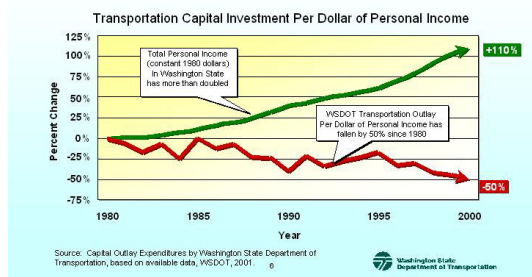
- The gas tax, our principal funding source, has fallen far behind our needs.

Our revenue sources have proven to be narrowly based and inelastic



- Therefore we have no choice but to resume investment levels that can redress the dire and growing facilities gap.

Transportation investment levels have fallen sharply in relation to state total personal income.



In just short weeks, the people voting on Referendum 51 will answer whether the right revenue package has been found to support our forward progress.

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Our struggle to revive transportation investment is one that is being played out in communities and states all across the country.

The transportation crisis varies from one locality to another.

Some localities need new investment in transportation infrastructure where

transportation demand has overwhelmed legacy facilities. Or where safety needs cannot responsibly be left unaddressed.

Elsewhere the need is for new transit systems so that our freedom of movement in communities large and small can rely on more than just the family car.

Elsewhere the needs of moving new levels of freight for commerce, industry, agriculture and international trade must be met.

Elsewhere the problem is the perilous deterioration of roadways and bridges. Those familiar facilities dating from our baby boomer origins are just as surprised as we are to be eligible for AARP. They must be renewed and replaced, even if we can't be, for our grandchildren's economic well-being, so they can afford our social security pensions!

And some places, like this state for example, have all those needs.

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Here in our communities, as elsewhere, new initiatives for transportation needs have moved haltingly because of deep public skepticism about government's ability to spend money wisely and well. Or, in its most extreme expression, "won't all the money just go down a rat hole?"

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I've found, traveling around the state since becoming Secretary eighteen months ago, that there is an excellent if not perfect track record of timely and efficient project delivery by WSDOT,

mostly in close cooperation with local communities. Just in the last year:

- On time, on budget completion of the 38th St. overpass in Tacoma.
- On time, on budget of several interchange and overpass improvements on I-90 in Spokane.
- Completely successful repairs on the Maryville Bridge on SR 529 and the Hewitt Avenue Trestle on SR 2 in Everett.

And many, many others.

I have little doubt, if voters choose to give the green light, that projects like the four-laning of SR 270 from Pullman or US 12 from Tri-Cities to Wallula, will be delivered to the public in excellent fashion for budget and schedule. So will the Vancouver Interstate 5 widening between Salmon Creek and I-205, as well as numerous other projects across the state specified in Referendum 51.

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But what about the projects known by name all over the state, the so-called "mega projects." Can we do as well with those projects? The mega projects will be costly, complicated investments with huge transportation payoffs for nearby communities and the state as a whole. But projects with mind-boggling price tags, major potential for construction phase disruptions, and easy association in the public mind with programs where costs have seemed to soar and construction to delay, seemingly without limit.

What do we say to the public about our planned mega-projects in order to instill at least a modicum of crucial public confidence?

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First, we should take a moment to be reminded of how the ideas for these various mega-projects have been developed.

For some years in our region, while big project efforts were seemingly in hibernation for funding shortfalls and for program disagreements, local citizens and communities have been working somewhat out of public attention, though hardly behind closed doors, to define corridor-scale visions for a new generation of transportation improvements. How else but to bring everyone together, to solve stalemates about long-range directions? How else to avoid the charge that bite-size solutions of any kind would fail the test of fitting into larger goals? How could it be more critical or important to put wants and needs from every viewpoint on the table to begin to shape the right long-range agendas?

It has been extremely valuable, in corridor after corridor, across the region, that the corridor planning committees, driven by local citizens and local officials, have given form to emerging long-range visions. In the corridor committees, there has been thoughtful discussion and balancing of transportation needs for now and the future. Moreover, these visions have largely been reconciled, endorsed and integrated into broader planning framework for regional transportation

planning, the *Destination 2030* report of the Puget Sound Regional Commission.

But the scale and scope understandably mounted in these corridor-planning exercises, even when early costs were no more than guesstimates! In no time, the breadth of visioning – absolutely indispensable for any forward progress out of stalemate – revealed to us a mountainscape of Himalayan dimension. As corridor cost guesstimates dawned on public awareness, no wonder an economically pinched citizenry has been heard to draw a collective deep breath! And some suggested we had all lost touch with any semblance of fiscal reality.

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In recent months, however, the process has turned, as inevitably it would and must. Now, from and with the planning visions in mind, we must fashion the actual plan of attack. What is fiscally achievable? How can actual projects be mounted that will advance our goals and be within our means to achieve?

You have seen that process of merging reality to the corridor vision at work in several places. This has happened even as the public's eye was turned in a slightly different direction, toward the obvious difficulties of trying to scale too many, too high mountains at one time.

- Last spring, the legislature reached a compromise on initial levels of funding to be dedicated to “major projects” from the proposed Referendum 51 revenues;

- Over the course of the summer and fall, the representatives of the King, Snohomish and Pierce county councils, working to fashion the “regional” plan sanctioned by the legislature, have moved toward a plan for dove-tailing regional revenue and spending opportunities with specific project objectives.
- And at WSDOT, we have developed new cost estimation approaches to supplant the guesstimates of earlier stages. We have also worked hard, with

many others, at various “phasing” proposals so that specific project elements could begin to shape progress to longer-term corridor goals.

The devil, of course, is in the detail. And there is still much work to be done.

But we at WSDOT have, for purposes of the conference today, looked into the crystal ball and we wish to share a simple new map that we think can help us all to begin to see where we are going.

Around the Region: Time to Get Started!

- ▶ Fix the seawall and replace or rebuild the viaduct.
- ▶ Replace SR 520 floating bridge and its approaches. Add HOV lanes to Bellevue.
- ▶ Complete SR 509 from SEATAC to I-5. Add lanes to I-5 from Southcenter Hill to Federal Way.



- ▶ Add lanes to I-405 from NE 132nd to NE 85th to fix the Kirkland crawl.
- ▶ Add lanes from to I-405 from SE 112th to South Bellevue to fix the “Wilburton Weave.” Improve I-405/I-90 connections.
- ▶ Fix the I-405 / SR167 interchange and add lanes on I-405 from West Valley Highway to Maple Valley Highway.

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Washington State
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My colleagues John Conrad and Dave Dye are going to talk about this map and the details of what it does and doesn’t mean.

For me, the broader significance of this map is that it is high time that the public discussion shift to the actual projects that can bring real improvements to our transportation system. Projects that

embrace our whole region (and of course another map would be necessary to show other, easier, more manageable projects all around the state.). For the Puget Sound mega projects this is where we start. These are the improvements now to be undertaken that can deliver linked and coordinated benefits to the region. And it places the corridor visions in their proper perspective: the goal to which

long range visions will be directed as our starting points can be supplemented by more and future work as and when the additional work can be afforded. John Conrad and Dave Dye will say more about that, too.

There is one more meaning in this map and it is really the focus of this conference today.

Project delivery of mega projects. What is a mega-project? It is a project in the range of hundreds of millions of dollars or more in cost. It is a project that requires that fiscal planning, financial controls, and hard-headed maneuvering in the vendor marketplace be linked with the highest levels of design quality and construction skills from a multitude of players. The work to be done is not only the fashioning of project steel and concrete, but conformance with environmental stewardship, management of traffic and community disruption, and relations with an entire citizenry of sidewalk superintendents and a curious, attentive media establishment that never forgets its in-bred taste for red meat.

What is project delivery? It is the management organization, discipline and control that the Owner, as we call it in construction circles, and that's WSDOT on our taxpayer's behalf, superimposes on the project to assure that goals of project quality, cost-effectiveness, community acceptability, and timeliness are aptly supported by every project decision and every project player. And that is decidedly *not* the simple matter of scaling up the means by which we successfully deliver new overpass projects or for example, our ongoing program of highway widenings and interchange improvement on SR 18.

When we look at the dots on this map we can begin to visualize real undertakings to be begun in real places in real time. We can ask the questions to which our conference today will be so helpful. How will the work be contracted for? What will it cost? How will it be controlled and directed? What risks must be managed? What hurdles overcome? How can we actually deliver the projects?

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The single most important reason for this conference today is this. The details of project delivery may seem technical, arcane or obscure. Best to be left to the professionals? Invite us to the ground breaking and the ribbon cutting? No way.

Every community across the country that we have visited or talked to that has been through the mega-project experience has offered a single paramount piece of advice. Every engineering firm and expert that has talked to us about "lessons learned" has delivered the same message. The single most critical component for success of mega project delivery is a broad consensus in the community to support the project. To understand and participate in the project as it goes forward. To have an informed perspective on the solving of each project's crisis and challenges. In short, to be a knowledgeable audience and participant in the culture of accountability that must lie at the core of our success. Through meetings like today, by including all of us in the process of learning and exploring what project delivery will mean for us, we will build our entire community's

prospects, not just WSDOT's prospects, for the success of project delivery. And that is ultimately what we must achieve.

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And now, for Doug Beighle. One of the many wonderful people I have met since coming to Washington last year. And therefore it is still a discovery for me to select just a few of his attainments to burnish his arrival at this podium. The reason he is here is because he was Governor Locke's appointee as co-chairperson of the Blue Ribbon Commission on Transportation that was asked to carry the message of transportation needs out of the

wilderness so that the legislature could frame an action agenda. And that is introduction enough, because it is the success of that mission that has earned all of our gratitude and helped to bring us to where we are today. So I will leave it at that, and not even mention that our speaker is a business manager, as in "big-time;" a lawyer, as in "distinguished," a corporate board member, as in "captain of industry," a participant in civic and charitable activities, as in "leader of the community," and best of all, a fly fisherman, as in "man of quiet patience and character." Doug will now tell us everything we need to know except where the fish are.